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Changing Economic Viewpoints

This is the final paper in a series prepared by the Guaranty Trust Company of New York upon the subject of financial and economic conditions in foreign countries, with particular reference to their plans for reconstruction after the war. In the present paper certain tendencies of the time, both here and abroad, are touched upon.

MOMENTOUS in their immediate importance as the revolutions are which the necessities of war have forced upon all peoples in the conduct of their internal and international affairs, they are of less significance with respect to the restoration of normal prosperity and the preservation of peace than certain tendencies which now appear as mere reflexes of the great struggle.

A BROADENED OUTLOOK

These tendencies are expressive of the new relation in which men find themselves toward their environment. That environment has been immeasurably enlarged both as to actual experience and as to the possibilities that lie in the future. Not by the trader and traveler and the international banker alone, but by the great mass of men and women the particular boundaries within which they happen to dwell are no longer felt to be the limits of their requirements. Those with whom they come in daily contact no longer form for them all of human society. This broadening of outlook has been effected by various agencies. In many cases the withdrawal first of luxuries and then of a part at least of such elementary satisfactions as food, shelter, and clothing has contributed powerfully to an understanding of international as well as of interstate and intercommunity interdependence. The vicissitudes of the corner grocery have not infrequently served as an introduction to commercial geography. In other cases a quick perception of advantage to be gained has inspired a profitable interest in affairs hitherto far removed from the thought or care of the most numerous part of the population of any country. It was natural, of course, that the events in Europe and the progress of the gradual embroilment of all nations should attract an ever increasing number of persons to the study of other peoples. The result of these and other causes is a general realization of the fact that for many, many years the various countries of the world have been really dependent upon each

other, the degree of dependency being in proportion to the degree of civilization attained, and that international commerce has not been the concern or the profit solely of those who conducted it.

EFFECT UPON PEACE PLANS

This realization, in combination with the vindictive feeling naturally generated by war, and especially aroused because of German barbarism and treachery, has had an important effect upon the plans which various nations have been making for reconstruction after the war. In the series of papers of which this is a part it has frequently been pointed out that practically the first thought in the minds of those who were preparing for the future was as to what steps should be taken to render their particular country economically self-sufficient. There was no question as to whether or not such a condition was desirable, but only as to the extent to which it was possible. Partly this idea of becoming economically independent was based upon the theory that future wars are likely and a determination not to be caught at a disadvantage again. Partly it was based upon a tacit acceptance of the German doctrine that a state of commerce is a state of war, a doctrine which is in turn based upon the false and outworn theory that every exchange of goods or services must be to the disadvantage of one of the parties concerned.

ECONOMIC SELF-SUFFICIENCY

There was and still continues another aspect of this question of self-sufficiency. Some countries have been forced to strive for it whether they desire it or not. With them it has been not so much a matter of planning for the future as it has been a matter of continuing to exist until the war is over. With lines of communication cut, and facing impossible prices when the opportunity to buy has occasionally presented itself, these countries—and all countries have experienced the same difficulty as to one or more necessities—have sought by some discovery or new

application, or intensification of effort, to satisfy their requirements from within their own boundaries. A vast amount of capital has been invested in such enterprises, and readjustments not always profitable to the promoters and the working forces who went into them from patriotic motives have taken place.

THE SPIRIT OF INQUIRY

These effects of the realization of the economic interdependence of nations are noted here because they have contributed greatly to a tendency on the part of men and women everywhere which had its birth in that realization. No sooner had war opened the eyes of men to the existence of, and their necessary, intimate relation to the world as a whole than there was rekindled in every people on this earth such a desire for knowledge as mankind has not experienced since the close of the Middle Ages. The spirit of inquiry is abroad. In quest of truth, old and young, men and women, are alert today as they have not been in centuries. People want to know things. The impatience with secret negotiations and treaties is but a symptom of what is transpiring in the minds of men with respect to all other relationships, whether of politics or economics. Institutions of all kinds are being challenged to demonstrate their usefulness in the light of what this war has shown to be essential, not for the preservation of one nation or one class, either within a nation or composing parts of many nations, but for the preservation of all mankind and the promotion of equal rights everywhere.

NATIONAL SURVEYS

Characteristic of every plan to attain economic self-sufficiency is a general inquiry into the extent and character of natural resources, the capacities of the people as individuals and as a nation in diverse fields of endeavor, their methods of doing business. To make a survey of all the resources and activities of even a small group is no slight task, but to set down these matters for a nation and to set them down after a complete investigation is an undertaking that would seem fanciful if it were not actually observed to be under way in many lands. To accomplish it means an organization that reaches out to every corner, inhabited or uninhabited. It means the calling up of an army of experts in numerous fields. Their reports must be read by those who would coordinate the nation's activities and at some point, some time, they must come before the mass of people in understandable form, for no plan will go through unless the mass of people are behind it. Such surveys, opening up the possibilities of the soil, revealing industrial and financial conditions, pointing the way out of the mess of war, are being eagerly devoured by populations hungry for a better under-

standing of the things by which civilized life is lived. Whatever we may think of the motive behind these colossal inventories we must recognize their value in providing inspiration and subject matter for a world growing in intellectual curiosity.

RECONSTRUCTION

There is every indication that this questioning attitude, so marked even under the stress of war, will develop greatly during the reconstruction period. The world has suffered too much to take anything for granted any more, and every arrangement for the future is going to be inquired into by men who will be better informed than they were four years ago. Political chicanery and economic quackery are going to have the most trying time of their respective and concurrent careers. The demagogue with his smattering of terms and his ignorance of content is to be challenged in the same spirit as the self-satisfied and obtuse reactionary. Both of them have missed the meaning of our time. Both will go down before the judgment of sane and enlightened public opinion.

THE NEW EDUCATION

A great revolution in education seems imminent as the counterpart of this spirit of inquiry. Millions of men organized into fighting machines have required the services in the field and at home of other millions who were trained to do certain things and whose exact knowledge of matters pertaining to those tasks has been essential to military efficiency. Similarly, in the face of a shortage in man-power, in the equipment for carrying on normal activities, in time itself, a greater efficiency in producing and distributing and using the goods and services required for ordinary living has become necessary. There has been on both the military and civilian pages of our economic register a demand for men and women who could do something that was worth while doing, or who, if they had no special training, had sufficient general knowledge and intelligence to make further training possible. The supply has been something far different. Through the examinations incidental to military service there has been disclosed not only a lack of men with technical education, but also an amazing number of men who can neither read nor write and whose fitness for life does not extend beyond their physical strength. Through the disruption of their working forces and the absence of a free labor-market employers have come to realize how scarce are men and women who have either special training or general knowledge.

A STARTLING FACT

Now it is not such a significant thing that this is the fact as it is that an increasingly large number of

people in every country are beginning to be startled by it. As a result we see the need of education being emphasized in the plans of every country which is making ready for peace. The war has directed attention to this situation. The problems to be solved in restoring peace and preserving it are driving the lesson home. Therefore the periods of compulsory attendance at school are being lengthened. Extension courses are being multiplied. Research divisions are being established in all large concerns for the ambitious student. It is planned to give elementary instruction in ways that will encourage rather than repel. Those already in employment are to receive opportunity to study under circumstances that make real study possible. The tendency is at the moment to direct youthful minds to modern languages, commercial geography, industrial sciences, business administration, mechanics, economics, finance, and other subjects bearing directly upon industrial and commercial careers, but it is to be hoped, and modern conditions will make it essential, that once full play is given to this awakened desire for education that will fit him to earn more money, the student of tomorrow will see the advantages of liberal training and will not permit himself to become merely a machine that breathes.

IDEA OF SERVICE

The new conception of what men owe to themselves and to each other, which has been fostered by the common sufferings and undertakings of the war, is permeated by the idea of service. That idea is expressed in a host of men drawn from every corner of the world to put down once and for all the injustices of a military autocracy. It runs through the thought of all those who stand behind these armies. It is the very heart of the ideal for which we fight. Whatever terms of peace are drawn the animating purpose of them will be service. And it is upon a basis of service that the enduring plans of any nation for reconstruction will be grounded.

EXCLUSIVENESS GONE

Selfishness has not gone out of the world. Progress will continue to be made in the future, as in the past, by individuals or groups of individuals asserting their interests in opposition to the interests of others. But unless present tendencies are being grossly misinterpreted there is going to be a very much changed theory of what those interests are. It must inevitably be so in the circumstance of a keener appreciation of the interdependence of all classes and all nations. The war has broken down every distinction among men except the distinction

of ability. As of old, common danger has been a great leveler, and the leveling has not been all on one side. If the powerful and self-satisfied have been shaken down, so also have the weak and the disgruntled been shaken up. They have approached to a better understanding of viewpoints and many errors of judgment and feeling have been corrected. This is not less true of nations than of individuals or groups, and some of the earlier plans made in hot blood for economic independence after the war are now being slipped into the waste-basket as gracefully as possible. Exclusiveness does not set well, either with the present temper of mankind or with the growing spirit of service in which progressive nations are preparing themselves for the future.

COÖPERATION

Coöperation among all classes and nations there must be if we are to escape the absolute ruin of civilization. How this Nation, wealthy beyond compare and strong to do many things, shall use its wealth and its strength to succor those who have borne the worst ravages of war is still a question, but there is no question at all that it is going to use them and for that purpose. Nor is there any doubt that we shall have the coöperation of other nations, so far as the war leaves them able to give it. There is visible no where in this country a disposition to take advantage of the weak and the oppressed. Goods will be bought and sold, upon fair terms and with equal opportunities to all, but service rather than profits will be the compelling motive behind every enlightened enterprise.

Despite the efforts of a very few persons, who are unable to grasp anything except the advantage of the moment, to arrest it, the same tendency is to be seen in the economy of the individual nation. Interests long hostile through want of understanding are drawing toward arrangements by which their divergent lines of thought will be brought together. That there is a necessary hostility between government and business, for example, or between capital and labor, is a misconception that is gradually breaking down before the idea of coöperation.

These tendencies—the desire for information, the promotion of education, the wish to serve, the willingness to coöperate—are at the foundation of such progress as the world will make during the long time it is at the task of rehabilitating itself and attaining a solid footing again. They are running with the currents of constructive thought in every country. No plan or no part of a plan into which a just estimate of their importance does not enter will make much headway during these coming years.

